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Approved For Release 2002/01/30 : CIA-RDP79R00890A000800090026-2

**SOVIET LEADERSHIP: IMPLICATIONS FOR DOMESTIC POLICY**

- I. The Central Committee resolution condemning the "anti-Party group" amounts to a demagogic platform of pie in the sky for the Soviet people, and undoubtedly reflects the regime's reading of the basic cravings of the masses for peace and prosperity. The fact of Khrushchev's victory itself seems to indicate this program has considerable appeal.
- A. Khrushchev will have a clearer field in implementing his program than before.
- II. However, the regime's most pressing problems do not arise from any lack of vigor in execution of its domestic program but rather from difficulties inherent in the program itself.
- A. Results of economic reorganization not immediately apparent and remains to be seen how much of panacea it is for problem of slowed growth rate.
- B. Intellectuals and students have recently been asking embarrassing questions and showing disrespect for some of "sacred cows" of party doctrine. Shepilov has till now been responsible for restoring discipline here but has had little visible success. Denigration of Malenkov, Molotov and Kaganovich, added to that of Stalin, may produce further cynicism as to party infallibility.
- C. Though not politically sophisticated by Western standards, education and technological progress have aroused among Soviet people aspirations for easing of bureaucratic

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DOCUMENT NO.  
NO CHANGE IN CLASS. IF  
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CLASS CHANGED TO: TS S C  
NEXT REVIEW DATE:  
DATE: 1-16-80 REVIEWER: 372044

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regimentation and higher standard of living which regime has to reckon with.

D. Whether a "collective leadership" or one-man rule the regime faces serious dilemmas.

1. It must promote local initiative without encouraging "localism" vs. central control.
2. It must encourage intellectual creativity without producing indiscipline and a questioning of the system itself.
3. It must establish a less domineering relationship with the Satellites without letting resurgent nationalism fragment the "Socialist camp."

III. Having rejected a slowing of the rate of economic growth, Khrushchev is still faced with the basic problems which caused it to slow down in 1957.

- A. To an already overambitious plan he has added a new one-- catching up with the US in meat and dairy products by 1960.
- B. He has removed from the Presidium almost all economists and industrialists.
- C. Initial effect of the drastic reorganization has been disruptive, but it will be pushed with vigor.
- D. He has not faced up to hard decisions on allocation of resources, since he apparently believes reorganization will permit simultaneous rapid expansion in all fields.
  1. When decisions are finally made, no indication heavy industry will suffer, in spite of many promises to the consumers during past week.

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